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SAPC 6136
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10 May 1956

MEMORANDUM FOR THE RECORD

SUBJECT: Conversation with Mr. Richard M. Saunders, CIA Comptroller, on 7 May 1956

25X1 1. I discussed informally with Mr. Saunders a matter which had been brought up to me by [redacted] representing a heavy burden on the Office of Security facilities - notably, the clearance of a large number of Lockheed personnel at Bakersfield, California, for eventual use as production workers on the Air Force version of the U-2. The decision to move the production of the Air Force U-2 from Burbank to Bakersfield is one with which we are all familiar. At the same time, it has the net effect of meaning that clearances
25X1 [redacted] originated by CIA Security will have been dissipated. At the same time I understand that the Air Force has expressed its willingness to accept, for a totally different Air Force project, the clearances run by CIA on the present Building 82 group.

2. Mr. Saunders is of the opinion that the cost of clearing the additional personnel at Bakersfield should be levied by CIA against the Air Force in view of the substitution of Bakersfield for Burbank as outlined in paragraph 1 above. While this would not offset entirely the inconvenience and work load of handling these clearances, the financial return to be derived would, in some measure, compensate for the man hours devoted by this Agency to the clearance of civilian personnel for a totally separate Air Force project. Mr. Saunders estimated that these clearances would cost some $146 per man, based upon figures available to him as supplied by Colonel Edwards. My own feeling is that this matter should receive consideration by the Project Director and the Deputy Project Director. It may be that, in view of the large contribution by the Air Force to Project AQUATONE, the best decision would be to let a matter so relatively insignificant as this remain status quo.

JAMES A. CUNNINGHAM, JR.
Director of Administration
PC3/DCI

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